



NACo Statements on Administration's Proposed FY06 Budget

President George W. Bush released his proposed FY06 budget Feb. 7. In response, NACo issued several statements and participated in a number of news conferences commenting on specific issue areas in the budget.

CDBG

The National Association of Counties is extremely disappointed with the president's proposed budget. It severely cuts funding for many critical domestic programs, while essentially eliminating several others. In all, more than 150 programs will be affected. This is a clear case of misplaced priorities—state and local governments are still in a state of fiscal crisis, and are obligated to administer these programs. If federal funding dries up, local governments could be forced to reduce services or raise local property taxes and fees to pay for the services citizens have come to expect.

The administration wants to focus on results—and we welcome that. Yet a successful program like the Community Development Block Grant (CDBG) is essentially eliminated in the president's budget. According to HUD data, 159,703 households received housing assistance from CDBG in FY04. Of this number, 11,000 became new homeowners, 19,000 rental housing units were rehabilitated and 112,000 owner occupied homes were rehabilitated. More than 13 million persons received assistance from CDBG-funded public services, including employment training, child care, assistance to battered and abused spouses, transportation services, crime awareness, legal services, and services for seniors, the disabled, and youth and more than 78,000 jobs were created or retained with the use of CDBG funds. (*News Conference Feb. 8, 2005*)

TRANSPORTATION

The National Association of Counties has a history of supporting a well-funded national passenger rail system. Time and time again our urban and rural members have voiced their support for Amtrak

After coming close to bankruptcy several years ago, Amtrak has recorded record rider ship in the last two years and is rebuilding its infrastructure. The millions of Americans who use the system recognize its value as part of the nation's transportation network. This is not the time to undermine Amtrak by gutting its budget and forcing the system to shutdown. Amtrak's 500-plus stations serve hundreds of counties across America. If Amtrak is forced to close its doors, rural counties would lose a very important transportation mode that keeps citizens connected to those essential services and businesses often not found in rural areas. In urban regions eliminating Amtrak would force thousand of automobiles onto America's already congested highways.

Let's build upon Amtrak's recent success. NACo believes we should be moving in the other direction by giving Amtrak the necessary resources to make passenger rail in America an even better transportation alternative. (*News Conference, Feb. 9, 2005*)

PILT

One year after heralding a budget request for the Payment in Lieu of Taxes (PILT) program that at least matched the prior year's Congressional appropriation, the Bush administration stunned county officials with a 12 percent, \$27 million cut.

PILT is the federal program that compensates counties for tax-exempt federal land inside their boundaries.

"Just last year we were congratulating Secretary Norton and the White House for finally showing that the federal government was willing to get serious about living up to its obligations," said McCone County, Montana, Commissioner Connie Eissinger, president of NACo's Western Interstate Region (WIR).

Since the mid-1990's presidential budgets had proposed putting less into the program each year than Congress had appropriated the year before. "The administration's budget request for PILT is unconscionable," said Eissinger. "Counties with federal land depend on these payments to serve their citizens."

"We pledge to fight these cuts," added Eissinger. "The administration is trying to balance its budget on the backs of local governments—and we are not going to stand for that."

"How can they talk about the importance of partnership and 'serving communities' and then propose cutting funding for communities they're supposed to be serving?" asked Lemhi County, Idaho, Commissioner Robert Cope, WIR vice president. "We've done everything we can to support the president's public lands agenda, in collaboration with the Interior Department and the Forest Service."

NACo and WIR strongly support the President's Healthy Forest Initiative, including passage of the Healthy Forest Restoration Act. The American County Platform also endorses increased energy production on federal land, including the Arctic National Wildlife Refuge.

"NACo calls on the Congress to restore the proposed cut to this critical program and resume the progress towards funding the program at its full authorization," added Larry Naake, NACo's executive director.

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